JW 28/3/13

Previous references.

~~191~~ 194

(Legislation)

File No. 55-11

Serial Nos. 1-2

Later references.

P-16

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-2

Part B. for Act-12

SUBJECT.

Proposal to pass a ~~Licence~~ Regulation for licensing Special industries.

1). From the Secy. Economic Conference, No 6574/26 June 12
Forwards certain correspondence on the above subject

2) Do the same Officer. No J 1040/5-10-12
Intimates that no such legislation is necessary

G. R. S. 58

Kadiresan 29/7/13

G.R.S. [11]

1911-12

GENERAL AND REVENUE SECRETARIAT.

(Legis)

NOTES.

File No. 53 - 10

FILE HEADING.

Proposal to pass a Regulation for licensing ~~special~~ cotton industries

From The Provisional Secretary, Mysore Economic conference, Bangalore

No. 654/E. C. Dated 26/6/12 Received 27/6/12

Diary No.	Enclos. 3	Spare Copies. -	Serial No. 1
J 3447			

BRIEF ABSTRACT OF LETTER.

Forwards letter No 1164 dated 24/25th June 1912 together with its enclosures from the secretary, committee for Industries and Commerce, regarding legislation for granting licence to protect special in-

NOTES AND ORDERS.

In forwarding a letter from one Brahmappa Narayanappanavaru of Davangere, ~~No Dr Jones~~ Dr. complaining of undue competition in ginning mills in factories in Davangere, Mr Dr Jones Dr. Chitaldrug recommends that legislation on

NOTES—First Sheet.

GPB—30,000—27-6-11.

G. R. S. 12]

General and Revenue Secretariat. | File No. 55 of 1912

Serial No.

lines of what is said to obtain in regard to protection of industries in the Terms of the British Colonies may be undertaken. The Industries & Commerce Committee of the Economic Conference also agree with the idea It is not known how far it would be feasible to enact a law in the matter. An Act seems to have been passed in Australia for the Preservation of Industries. (vide Vol XXII page 326 of the Journal of the Society of Comparative Legislation). From Vol XXIV. p 327 of the same journal it is also seen that Germany has enacted a Statute for the prevention of unfair Competition in trade. But from the illustrations given of the nature of the remedy intended to be given by the Statute one has to infer that the Act is intended to provide against what is known as unfair practices in trade. No other Act as having been passed by any other State could be traced. Submitted for orders.

P. T. O.

NOTE—Contn. sheet.

GPB—20,000—20-1-12

G. R. S. 12]

General and Revenue Secretariat.

Leg File No. 55 of 1911-12

Serial No.

V The Committee for Industries and Commerce Enquire if legislation can be undertaken to substitute a system of licences for trades and business Enterprises in which there might be a likelihood of the Industry suffering by Excessive or unwholesome Competition The Enquiry has been suggested by the application of a merchant of Davanagere who wants that ~~all future applications~~ in future no ginning or other factory in Davanagere or Elsewhere in Mysore Should be ~~opened~~ allowed to be opened without the permission of the Govt. The Suggestion ~~too~~ seems to have the approval of the Deputy Comm^r of Chitaldrug — At all Events he suggests that legislation for sanctioning new industries on the lines of what is said to obtain in some of the British Colonies and Elsewhere" may be undertaken. What this legislation is has not been made clear anywhere. So far as this office has been able to find out no such legislation

NOTE—Contn. sheet.

GPE—20,000—20-1-12

G. R. S. 12]

General and Revenue Secretariat.

Legn File No. 53 of 1911

Serial No.

As is asked for by the merchants of Davanagere has anywhere been tried. There has been legislation to prevent unfair Competition and protect "industrial property" but not to ~~limit~~ limit or prevent Competition. It is manifestly unfair that one person should decry or slander the goods produced by another person and it is to protect a man from the invasion of such rights that in some Countries Special laws have been framed. But no where has any man's ~~been prevented~~ liberty to open any factory or undertake any business Enterprise been curtailed by the State [subject always to Exceptions to be referred to later on]

3 To institute a System of licenses as suggested by the Davanagere merchant in respect of ginning factories and the like would be a novel and quite unprecedented Course of Action

NOTE—Contn. sheet.

GPB—20,000—20-1-12

R. S. 12]

General and Revenue Secretariat.

Legis File No. 55 of 191

Serial No.

Licenses are instituted either for fiscal purposes or on ~~Peasant~~ Considerations of health and Safety of the persons Employed in a factory or business Enterprise In other matters the State hardly Even interferes. If protection for new industries is needed it is protection from the Competition of outside agencies ~~that is wanted~~ that should be secured and not protection in favour of one Subject of a State against the other.

The latter is in reality a kind of monopoly and a particularly bad type of it because it is not in favour of the State. Monopolies in favour of the State are justified on Considerations of State policy Eg Sandalwood in Mysore, Opium & Salt in Br. India ~~Administration~~ Railways & Telegraphs in Some Countries Etc

4 The Excessive Competition reported to Exist in Davangere in

* There does not seem to be any Country which has resorted to this kind of protection.

If any particular industry needs "nursing" the State may Encourage it by giving Concessions to all who are Engaged in it viz E.g. favourable Stamp & Reg. laws, loans Etc

NOTE—Contn. sheet.

R. S. 12]

General and Revenue Secretariat. | Fijis File No. 53 of 191 |

Serial No.

regard to Cotton factories is not an uncommon feature of industrial life* Whenever there is a "boom" in any particular industry there is always a "push" and it is a necessary result that all engaged in the industry — the promoters as well as those who unthinkingly followed — should suffer for Bust / the Set-back will only be temporary and by the operation of Economic forces the Strongest will survive.

5 Further the State will never be able to ascertain correctly beforehand the Amount of Expansion which a particular industry will be capable of. It will have to depend for its information upon persons who have already acquired a vested interest in the industry and whose aim will naturally be to keep out as many men as possible and thus create a 'Combine' or 'ring'.

6 In acceding the Gentlemans request the State will thus be Checking rather than furthering

* and may perhaps be regarded as a healthy sign

NOTE—Contn. sheet.

GIP—65,000—17-6-12.

R. S. 12]

General and Revenue Secretariat.

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the Cause of industrial progress besides imposing an intolerable restraint on individual liberty The Secretary of the Committee may be informed that Govt consider that legislation of the kind proposed is undesirable 24/7/12

25-86 31.7.12

Sec'y. Dewan 23 30/7/12

In the interests of the owners of Cotton Textile-kins on the ginning entrepreneur seem undesirable — Please Circulate to Committee

Sec'y Agy 12

C. clerk

Circulate 23 2/8.

488 The Industries Committee has drawn a general conclusion from the statements of one man — apparently an interested person. A reply may be given that Govt

NOTE—Contn. sheet.

GIP—65,000—17-6-12.

General and Revenue Secretariat.

Yup File No. 55 of 1911-12

Serial No.

the material supplied, no case can be made out for such very exceptional legislation & that Govt will be prepared to consider duly any well thought out definite proposal that may be submitted

9/8/12

2nd Counsellor

27/12/8

1/9/12

The proposed legislation is

1/9/12

Dewan

11 Reply may

16/8/12

2900 17/8/12

The journal of the Society of Comparative Legislation for 1911 and 1912 removed from the file.

29/1/12

NOTE—Contn. sheet.

GII—65,000—1-6-12.

26/9/12 Paragraph please

R. S. 12]

General and Revenue Secretariat.

Lgn File No. 55 of 1911

Serial No.

12 Draft letter

AR 6a 27/9/12

28/9/12

Lee

1st Councillor

23

28/9

30 9/11

945 13 Draft appd by 1st Councillor 1.10.12

23 2/10

B 2/11

14 Letter

3/10

2. To the Provisional Secretary Singapore Economic Conference No. J.10408 5-10-12

State that legislation of the kind proposed is not called for.

NOTE—Contn. sheet.

GPE—61,000—17-6-12.

III/27/6 Key

Secy)

No. 652 / 3447 Encs. 3 (1)
E.C.

FROM K. Subba Rau, Esq., B.A.,
Provisional Secretary to the
Mysore Economic Conference,
Bangalore.

To

K.R.Srinivasa Iyengar, Esq., M.A.,
Offg. Secretary to the Government of His Highness
the Maharaja of Mysore, Gen. & Rev. Depts, Bangalore.

MYSORE ECONOMIC CONFERENCE.

Bangalore, the 26th June *1912.*
26

SIR,

I have the honor to forward herewith letter No.1164, dated 24/25-6-1912, together with its enclosures from the Secretary, Committee for Industries and Commerce, regarding legislation for granting licenses to protect special industries.

I have the honor to be,
S i r,
Your most obedient servant,

K Subba Rau

Secretary.

Enclosure to Lr. No. 53-11-1 (2)

Encl. 2

M. E. C.
I. & C. C.

No. 1164

OFFICE OF THE MYSORE ECONOMIC CONFERENCE,
INDUSTRIES AND COMMERCE COMMITTEE,
"RINGWOOD," HIGH GROUND,

Dated Bangalore, 24th June *191* 2
25th

FROM V. S. Sambasiva Iyer, Esq., B.Sc., L.C.E.,
THE SECRETARY,
INDUSTRIES AND COMMERCE COMMITTEE.

To

K. R. Srinivasa Iyengar, Esq., M. A.,
Secretary to the Govt: of H.H. the Maharaja
of Mysore, General and Revenue Departments
Bangalore.

Through

K. Subba Rao, Esq.,
Provisional Secretary of the
Mysore Economic Conference, Bangalore.

Sir,

It has been brought to the notice of the Committee for Industries and Commerce that many a poineer business enterprise is crushed by reason of excessive competition. A man starts a new business and twenty others straightway imitate him and go into the same business with the result that there is overproduction and every one of them suffers loss. Copy of a letter together with its enclosure from the Deputy Commissioner and President of the District Committee, Chitaldrug, on the subject is attached.

2. It has been suggested that in special industries, Government should reserve the right to grant a license, so that when there is a likelihood of excessive competition, licenses may be refused. I am desired to enquire whether legislation could be enacted to ensure this result.

I have the honour to be,
S i r,
Your most obedient servant,

V. S. Sambasiva Iyer.

Secretary,
Industries & Commerce Committee.

Enclosure to Ag 55-11-1 (3)

Letter No.1866 dated the 24th April 1912, from the Deputy Commissioner and President of the District Committee, Chitaldrug, to the Secretary, Industries and Commerce Committee.

- - - - - - -

In continuation of my letter No.1865 dated this day, I have the honour to forward herewith a copy of letter of the 20th instant from Brahmappa Tavanappanavar of Davangere addressed to the President, District Committee, Chitaldrug, and to state that legislation for nurturing new industries on the lines of what is said to obtain in some of the British colonies and elsewhere appears to be desirable.

- - - - - - - - - -

"C o p y"

V. S. Sambasiva Iyer

Secretary, Industries and Commerce Committee.

(4)

Enclosure B Lgn 85-11-1

Letter dated 20th April 1912 from Brahmappa Tavanappanava of Davangere, to the President of the District Committee, Chitaldrug.

- - - - - -

I most humbly and respectfully beg of your esteemed permission to please allow me to place the following before you for favour of your kind consideration.

The Government of His Highness the Maharaja of Mysore have been rendering all possible assistance to their subjects with an e earnest desire to promote the cause of education, civilization and wealth of the country; and they have been putting them in the way of progress and prosperity by showing them both by examples and - - precepts how to utilize the individual and collective wealth of - - their subjects along the channels of agriculture, manufacture and - commerce. It is no exxaggeration when I say that these precious - methods cannot be too highly admired and appreciated.

If a man with a certain amount of intelligence and forethought coupled with a certain amount of capital opens up a trade - or starts a factory and makes a certain amount of profit thereby, - all other people without sparing a moment to consider the probabilities or improbabilities of success, take up the very same line of business and sink in that business whatever capital they may have. Naturally, when supply exceeds demand, the exchange value of the - commodity comes down. And consequently the dealers will have to - suffer a heavy loss. Thereby they are indirectly discouraging - - other enterprising capitalists to take up some other line of lucrative business. It is regretful that circumstances of this nature have been acting persistantly against the grand and noble priciples and practice of the Mysore Economic Conference.

To quote one example. It is a well known fact that Davangere and the surrounding are noted for the produce of cotton. The past 7 or 8 years' increase in the growth of cotton proved the incapacity

of hand-gins, to cope with the supply, and as necessity demands it, two ginning factories were started 5 or 6 years back. Further 2 years saw the number of ginning factories rising from 5 to 6. Last year, on account of abudant rain, fields that were yielding Jawari and ragi were caused to produce purely cotton, as the result of which all the ginning factories had handful of work and had a wide enough margin of profit as well.

Others who were eye-witnesses to these occurances took no patience to consider for a moment whether the same state of affairs would continue for long, and to put their head together with those mature in experience; but, as if all in a sudden -- started 5 more factories for ginning cotton. To-day the small town of Davangere owns nine factories of which even three or four fail to find handful of work, supposing the total supply of cotto to this place is monopolised by them only.

Last year a gin was earning Rs.10 for every 48 maunds of cuppas or 12 maunds of cotton it ginned; but this year for the very same amount of work turned out it earns only Rs.4 i.e., 60 % less than previous years. How low it would sink the degree of earning capacity of all the nine gins entirely depending upon the cotton supply which cannot fully and sufficiently employ even four of five !

Having submitted the above to your generous attention, I most humbly and respectfully pray that you may please make it a matter of necessity that any further application begging permission to open up still more ginning factories or any other factory either in Davangere itself or anywhere in the Mysore Province, should be placed before the District and Central Committees for deliberate consideration and further recommendation to the Government of H.H. the Maharaja of Mysore to pass that into a Law.

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Copy

V. S. Sambasiva Rao

Secretary, Industries and Commerce Committee

G.R.S. 26]

File No. 53-11
Serial No. 2

Diary No. of letter replied to

No. J 1040

General and Revenue Secretariat.
( )
, the 19

To

The Provincial Secretary
Western Provinces

Date of issue 5.10.12

Signed by Wm S. Hirigamaiya

Sir

With reference to your letter No.
6541 S.C.B. 26th June 1912 regarding
the proposal to institute a system of licensed
moneylenders, I am directed
to state that legislation
in the opinion of the Govt.
of the kind proposed
is not called for

I have &c

Wm S. Hirigamaiya
for Acting Secretary

4/10/12

D.R.A.S. 6th 27/9/12

over.

SUBJECT.